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REDUCING MARKET PAYMENT RISK FOR OHIO MILK PRODUCERS

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Introduction

In recent years, there have been several instances in Ohio in which dairy farmers failed to get paid for milk because the handler* to whom they were selling went into bankruptcy. Under normal payment arrangements, a milk producer is not fully paid for a period of several weeks (up to 55 days) for the milk he has produced and marketed. This type of delayed payment is necessary for various reasons, including the fact that Grade A blend prices cannot be determined until usage is known, but it leaves the producer financially vulnerable if the buyer of milk is unable to meet his payment obligation. The average Grade A producer in Ohio ships about 1,300 pounds of milk daily. At the current producer pay price of more than $10.00 per cwt., non-payment can mean a loss for the average dairy farmer of close to $4,000 in one month, or $8,000 in two months. For many milk producers, a situation of non-payment means not only the income loss but can also mean the real likelihood of exit from dairy farming.

Purpose

The objectives of this commentary include (1) to recognize the problem of non-payment for producer milk; (2) to consider the alternative remedies and responsibilities in non-payment situations; and (3) to evaluate in some detail the workability of a state authorized producer security fund.

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*Handler may be defined as a buyer of milk. In this report, milk dealers or milk processors are terms that mean milk handlers operating as proprietary firms. Cooperative associations are also noted as handlers for milk for which they are responsible.

Producer Payment Arrangements

There are several marketing situations that relate to how milk producers are paid for their product in Ohio.

1. While only about 9 percent of the milk marketed in Ohio is Grade B milk, there are approximately 3,050 farmers in Ohio who ship Grade B milk. These producers largely are independent (not organized) and typically are paid directly by the buyer on the 15th of the month following the month in which the milk was marketed.

2. Most of the milk produced in Ohio (91 percent) is Grade A milk supplied from an estimated 7,500 dairy farms. Essentially all of the Grade A milk is priced and pooled in two federal milk order markets, the Ohio Valley Market (Order No. 33) and the Eastern Ohio-Western Pennsylvania Market (Order No. 36).

a. In Order No. 33, 90 percent of the producers are members of one of 8 different cooperatives, while the other 10 percent of the producers are independent, i.e., non-members.

b. In Order No. 36, 66 percent of the producers are members of one of 9 different cooperatives, and 34 percent of the producers are not members of dairy cooperatives.

Payment arrangements for the Grade A producers vary. In both federal order markets, an attempt has been made to resolve the matter of delinquent payments by requiring that a handler's total payment obligations for producer milk be made to the Market Administrator's (MA) office by specified deadlines. Essentially, for milk marketed in the first 15 days of a month, payment to the MA must be made by the third day prior to the end of the month (rate of payment being determined by the Class III price for the preceding month). The Market Administrator immediately distributes these payments in the last two days of the month. Full payment for the month's shipments is then made to the MA by the 16th day of the following month, and these payments are distributed in the next two days. Distribution of payments is as follows:

(1) For dairy farmers who are members of cooperatives, the Market Administrator reimburses the cooperative directly, and the cooperative in turn writes the pay checks to its members.

(2) For non-members, two payment situations prevail.

(a) For a handler who prefers to write pay checks for his non-member producers, and who complies with all order payment provisions, the MA reimburses the handler, who then writes the producer checks.

(b) The Market Administrator writes individual checks to all non-member producers who sell to a handler who chooses not to write producer checks, or who has not been in compliance with order payment provisions.

These payment procedures have been in effect in Order No. 33 for several years, but they have only recently been implemented in Order No. 36. The intent of such provisions is to make milk payments more timely and, consequently, to reduce the incidence of payment failures for milk by handlers. The following comments rationalizing the adoption of such payment provisions in Order No. 36 were included in the final decision published in the Federal Register, July 31, 1978.

> "Under a plan whereby all payments by handlers are made to the market administrator, who in turn pays producers, the fact of payment to producers is a matter of the market administrator's immediate knowledge. When handlers pay producers directly, a failure to make full payment to producers by the dates specified in the order usually does not become known to the market administrator at the time of noncompliance. Some time may elapse before normal audit procedures reveal any payment irregularities.
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> "Also, the payment plan adopted herein . . . . tends to be self-policing. Payment would not be made by the market administrator to producers delivering milk to a handler who fails to pay his obligation to the market administrator. Thus, such producers would be immediately aware of when the handler receiving their milk fails to pay his pool obligation. Presently, a handler may pay his producers the blend price and at the same

time fail to pay an amount due the producer-settlement fund. In the absence of any knowledge of the handler's financial difficulties, the producer presumably would continue to ship milk to the handler. Only when the handler's financial problems become so great as to result in nonpayment to his producers would the producers realize the possible need for seeking a different outlet for their milk. Under the adopted payment procedure, the producers would be aware of the handlers financial difficulty in the first month of nonpayment . . . .

"In addition, the adopted payment procedure should reduce current pressures on cooperative associations to grant credit to handlers who may be delinquent in payment for milk received from member producers. The tendency for extension of credit by cooperatives should be minimized when handlers are required to make payments for producer milk directly to the market administrator rather than to the cooperative."[1]

The payment arrangements for Grade A milk in the two federal order markets help monitor the delinquent payment problem but they essentially do not resolve the non-payment problem. This is partly why the matter of non-payment becomes pertinent to state legislative consideration.

In addition to the Grade A producers shipping in Order Nos. 33 and 36, there are a few Ohio Grade A producers who ship to plants in the Indiana Federal Milk Order and the Southern Michigan Federal Milk Order. The Market Administrator's offices do not handle producer payments directly in either of those markets. Also, a few (less than 20) Grade A producers in Ohio market milk to a plant not subject to federal order regulation. Those producers are paid directly by the handler on a monthly basis.

Basically, four different situations exist where producers may not be paid for their milk. These include:

1. Grade B producers and Grade A producers who are not members of cooperatives may individually not be compensated when their buyer defaults.

2. Cooperatives that have extended credit to a defaulting milk dealer simply will not have that money to reimburse their producer members.

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[1]Federal Register, Vol. 43, No. 147, July 31, 1978, Part IV, p. 33657.

3. A dairy cooperative itself may become financially bankrupt and unable to pay its producer members for their milk.

4. Milk handlers regulated under federal market orders are responsible monthly to the producer-settlement fund. Handlers that have a higher Class I utilization than the market average must pay into this equalization arrangement. There have been instances where this obligation has not been met. The obligation to the producer-settlement fund ultimately is money to be paid producers. As such, any failure to meet producer-settlement fund obligations by a handler represents a situation where producers are not getting paid for their milk.

One complicating dimension of the non-payment problem has to do with the inter-state flow of producer milk. In some instances, milk plants located in Ohio are drawing some of their milk supplies from producers located outside of Ohio. In other instances, producers located in Ohio are shipping milk to plants located in other states. The scope of jurisdiction of any Ohio legislation becomes a matter of some question in these instances. In New York State, where a producer security fund has been established, the focus of the legislation is in terms of producers located in New York. Producer milk coming into the state from outside is not subject to assessment; however, an assessment for the fund is gained on milk produced in New York and shipped to an out-of-state dealer.

Public Policy and Guaranteed Payment

The State of Ohio, as have many states, has recognized a policy historically and has enacted legislation directed at minimizing the payment risk that producers incur in marketing milk. Section 917.14 of the Ohio Revised Code currently requires that the Ohio Department of Agriculture administer one of three alternative procedures for guaranteeing payment by milk dealers or cooperatives to producers. These procedures include:

1. Filing and maintaining a bond amounting to twice the value of monthly milk receipts with the Director of Agriculture; or

2. Depositing an amount of cash or negotiable securities equal in value to (1) with an acceptable trustee; or

3. Filing a sworn financial statement showing assets, liabilities, and pertinent supporting data periodically with the Director of Agriculture. An inadequate financial position can require cash deposits and, ultimately, license suspension.

The problem has been that the options offered in Section 917.14 have not effectively resolved the non-payment situation. The bonding and the deposit alternatives generally have not been used because the costs of maintaining such bonds-deposits by dealers and cooperatives are substantial (currently about $15 annually per $1,000 of bonding coverage). Submission of financial information by each dealer and cooperative is the alternative that is utilized. However, as a practical matter, the information has only been compiled and evaluated annually. The time lag and difficulties in reliable interpretation of financial data preclude any effective means of coping with the situation where the producer is owed significant amounts of money and the buyer is unable to pay.

At the federal level, agricultural commodities have been subject to different types of monitoring or enforcement of producer payment provisions. The producer payment arrangements authorized for milk in Federal Order No. 33 and in Federal Order No. 36 already have been noted. However, in 41 of the 47 federal order milk markets across the U. S., producer payments are not coordinated directly through the MA office.

It should also be noted, with respect to milk, that there is enabling authority in the Agricultural Marketing Agreement Act of 1937 for establishing producer security funds as a part of federal order regulations. Section 608c

(5)(E)(ii) of the act authorizes providing "for assurance of, and security for, the payment by handlers for milk purchased." A regulation establishing such security has not been established or even considered in any federal milk order. Reasons for the lack of such regulation include (1) the understanding that a security fund implemented by federal order authority would have to be financed by assessments from producers; (2) the potential conflict with payment guarantee policies of dairy cooperatives; (3) the fact that various state bonding or fund regulations presently offer some remedy to the non-payment problem; and (4) a reluctance on the part of federal order administration to further extend the scope of regulation.

In the fruit and vegetable industry, the Perishable Agricultural Commodities Act of 1930 includes a provision that requires buyers "truly and correctly to account and make full payment promptly in respect of any transaction in any such commodity to the person with whom such transaction is had" (7 U.S.C. 4996). Failure to meet this requirement can mean reparations to the injured party, suspension, and even revocation of the offender's license to operate. Such actions follow a complaint by the injured party plus an investigation and hearing. There is no guarantee or certainty of payment included in the PACA. Rather it is a monitoring and enforcement device that helps minimize unstable credit situations and reduce much of the risk of non-payment.

For livestock and meats, the Packers and Stockyards Act of 1921 was amended in 1976 to provide producers with increased assurance of payment. As specified in Section 206(b) of the act, ". . . . livestock . . . . shall be held by such packer in trust for the benefit of all unpaid cash sellers of such livestock until full payment has been received by such unpaid sellers . . . .". Further, Section 409(a) specifies that "Each packer, market agency, or dealer purchasing livestock shall, before the close of the next business day following the purchase of livestock and transfer of possession thereof, deliver to the seller . . . . the full amount of the purchase price."

Many substantial and conflicting arguments enter the discussion of payment to milk producers in situations of non-payment by handlers. These arguments center on questions of (1) wheather or not state government should have any significant responsibility in the matter of helping reduce risk to milk producers; (2) whether the establishment of a trust regulation or of a producer market security fund as state programs are reasonable alternatives; and (3) if a fund is created, who should be the source of funding for a producer market security fund.

Risk Assumption In Marketing Milk

The production and marketing of milk is a risk enterprise in the same sense that any other business activity in this society is a risk enterprise. A milk producer is subject to risk in several areas of his enterprise, and payment for milk is just one area. A traditional view is that the risk-taker should not only receive the rewards of investment and risk-taking, but should also be subject to the costs or losses of risk-taking. In fact, within the dairy industry, some cooperatives may perceive that they can monitor risk situations better than can individual producers. In such instances, dairy cooperatives may prefer to see state government not involved in efforts to reduce risk to milk producers because then the cooperatives lose one of the incentives to membership, i.e., guarantee of payment to producers.

The fact is, however, that the State of Ohio has an explicit policy directed at reducing the risk of non-payment to milk producers. The policy and the means adopted for implementing that policy have not always worked effectively. In searching for alternatives to the bonding, securities, and financial data options specified in Section 917.14 of the Ohio Revised Code, the concept of a

'Milk Producer's Security Fund' as one alternative has gained considerable attention. Such a plan was adopted in New York State in July, 1975. Pennsylvania and Michigan have considered similar plans, but most states have not moved in this direction.

A second alternative incorporates the idea of maintaining a producer trust in the commodity until the producer has been fully paid. The definition of a producer trust could be accomplished by state legislation that would be comparable to the 1976 amendments to the Packers and Stockyards Act. However, Section 67C of the Federal Bankruptcy Act substantially limits the scope and effect of state defined liens or trusts as they may emerge in formal bankruptcy proceedings.

In order to attempt to answer the questions of how a security fund should be funded or whether there are merits to a producer trust, it is helpful to consider the matter of liability in situations of non-payment. First, some of the different positions of interests in the milk industry should be recognized. Milk processors simply may note that failure to pay producers is a matter of assumed producer risk, and producers should pursue their own course of action in reducing, sharing, or transferring this risk. Also, some processors would observe that they have always paid their producer obligations fully and on time and that they should not be categorized with some of their competitors who have undergone bankruptcy or are potential bankruptcy victims. On the opposite side, most producers would indicate that they are in a contractual arrangement with the buyer of their milk; that the producer has supplied milk as agreed to; that payment for the milk is a fulfillment of the contractual obligation; and that money be made available from the buyer(s) for any non-payment situations.

The existing provisions of the Ohio Revised Code indicate a responsibility on the part of the milk dealer and cooperative association for guaranteeing payment to producers (Section 917.14). The bonding option, for example, is a risk transfer procedure in which the surety bond required of the dealer or cooperative association is an explicit acknowledgment that producer risk has been transferred. In effect, the surety (bondsman) guarantees the action of the principal (dealer or cooperative) in protecting the obligee (dairy farmer). It is relevant to note the matter of risk transfer from the producer to the dealer or cooperative as an explicit matter of state policy because this policy offers one rationale for suggesting that (1) any producer security fund should be financed by the dealer and cooperative association, and (2) the definition of a producer trust in the product until full payment is made is a reasonable option.

An alternate rationale that is relevant when considering how a producer security fund should be financed is the insurance approach. In this context, risk transfer by a producer is accomplished in a traditional insurance arrangement. Insurance can be defined as a means of combining the risks of individuals into a group and using funds contributed by members of the group to pay for losses. Each person or business who is a member of the group transfers his risk to the whole group. By such transfer, the person or business averages his loss costs (due to non-payment in this instance) with the whole group (all milk producers in the state), thereby substituting certainty for uncertainty. The person or business pays a certain premium instead of facing the uncertainty of the chance of a large loss. Obviously, the funding obligation for any dairy producer security fund in this context is the responsibility of the producer.

A key argument against the self-insuring approach is simply that the milk producer is a creditor to the buyer and, while it is the responsibility of any seller to avoid or monitor high risk credit situations, it is not the responsibility of the seller to purchase insurance against that risk. In a parallel sense, a factory worker sells his labor and is paid after the fact, but it is not understood that he should buy insurance against the fact that he may not be paid.

A business may normally maintain a reserve for bad debt account in recognition of credit risk, but this is not a practical consideration for the individual dairy farmer where total sales are associated with a single buyer. For most milk producers, the total revenue from the farm operation is allocated across family and farm expenditures and any set-aside for individual credit risk essentially is not realistic.

Producer Market Security Alternatives

Three alternative approaches to resolving the problem of non-payment of milk producers are plausible. These include (1) accepting the fact that some non-payment situations inevitably will occur and concluding that the present remedy (Section 917.14) is sufficient; (2) establishment of regulations similar to the Packers and Stockyards amendments that maintain the purchased commodity in a trust for the producer until he has received full payment; and (3) creation of a state administered producer marketing security fund, financed from industry assessments, and subject to claims by producers who are not compensated for their milk shipments.

1. Maintaining the Status Quo

There are a number of valid reasons for concluding that the present regulations (Section 917.14) are adequate relative to the non-payment problem. First, the incidence of non-payment has been relatively infrequent and historically has represented only a minute fraction of the value of producer milk. Given that fact, an effective enforcement of the bonding-deposit-financial statement options in Section 917.14 should be a reasonable means of coping with the problem.

Second, producer payment provisions in Federal Milk Order Markets 33 and 36 already provide for an effective monitoring of credit situations on a continuing basis. As a result, close to 90 percent of the producer milk in Ohio is at least subject to an accelerated awareness of non-payment situations.

Also, alternative regulations beyond the present state remedy become alministratively complex and can lead to inequitable situations in the industry, e.g., different types of liens or assessments may be unfair to different parties. Finally, much of the milk industry in Ohio, both producer interests and processors, do not see much to be gained by further regulation of the non-payment situation. As such, there is no substantial political motivation for extending the present regulations.

2. Defining A Producer Trust In Milk Until Full Payment Is Made

A trust can be defined as "an equitable right or interest in property distinct from the legal ownership thereof." One means of helping assure producers of payment for their product is to legally define a trust interest on the part of the producer in his product until he has been paid for it. The 1976 amendments to the Federal Packers and Stockyards Act included such a trust provision. Some similar type of legislation has been advocated on a state basis for the benefit of milk producers.

The major problem with such state legislation is that its application is very limited and may be irrelevant in formal bankruptcy situations. The Federal Bankruptcy Act has supremacy and any state insolvency law is suspended at any point of conflict with the Bankruptcy Act. The Packers and Stockyards Act is federal law and therefore its trust provision is not subject to state limitations.

In situations where producers have not been paid but where insolvency or bankruptcy are not a part of the situation, some type of state defined trust, or lien, or perfected security interest may be useful. However, the predominant non-payment situations for Ohio milk producers have occurred in association with bankruptcy.

Experience thus far with the 1976 trust amendment to the Federal Packers and Stockyards Act has been limited. However, some observations may be made. The trust provision normally becomes operative in formal bankruptcy situations. However, a bankruptcy situation is not necessary, and the trust provision may be activated anytime producers are not paid for their product. The trust provision provides unpaid producers with access to all accounts receivable and inventory of the defaulting buyer. In fact, the accounts receivable and inventory are an on-going trust, held by the buyer for the benefit of the seller. The trust provision of the Packers and Stockyards Act is new and still being tested. It is currently in litigation, including its constitutionality, and thus far, no revealing case law has developed out of the provision. However, P & S administrators view it as an excellent tool that case law will improve as it becomes specified more precisely. Where the P & S trust provision has been used, there generally has been sufficient money available from the accounts receivables and inventory to fully compensate all sellers of livestock. However, there have been a couple of small packers who simply went out of business without going through insolvency-bankruptcy proceedings, who had not paid producers, and where no accounts receivable or inventory were available to producers. In these instances, the trust provision obviously could provide no relief.

One objection to the trust provision is that financing arrangements for a buyer will be interfered with due to the fact that lending institutions will no longer be in the favored creditor position they had enjoyed. However, experience to date indicates that the trust provision has not appeared to generate any significant interference with packer financing.

In commenting on the potential application of a trust provision to the milk industry, one attorney noted, "The P & S statute provides for payment before the close of business the following day. Since this is not the practice in the milk business, payment should be required on the usual times and the priority of the trust fund should prevail until the payment date. This would mean that as a practical matter, the dealer's accounts receivable for the current month would be used to insure payment for milk of the previous month, which in general reflects the actual state of affairs in the market. Dealers collect for last month's milk during the current month and the extension of credit in the milk business is a long standing custom. Note that this statute does not prevent the use of accounts receivable as a security interest. So long as producers are paid, the lending institution would retain priority on any security filing. This would, however, prevent a creditor with security paper from moving in and taking the current receivables for a loan repayment and thus leave last month's raw milk bill go unpaid.[2]

A trust provision to help assure producer payment is one reasonable but limited alternative. It is equitable in the sense that the defaulting party becomes the exclusive responsible party for repayment. A trust provision also offers simplicity as compared to the complications of establishing and maintaining a security fund. However, there are major limitations to a state defined trust provision because of the supremacy of the Federal Bankruptcy Act. Also, even with a legally operational trust provision, there would be some situations where neither accounts receivable nor inventories would finally be available to provide compensation to unpaid producers.

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[2] Glen W. Wagner, "Legal Forces Shaping the Dairy Industry," Proceedings of 32d Midwest Milk Marketing Conference, University of Kentucky, March, 1977, p. 53.

3. Producer Marketing Security Fund

The implementation of a producer marketing security fund in New York State, plus the fact that Michigan and Pennsylvania have given the idea some consideration, suggests that the fund alternative should at least be evaluated in Ohio. The most complicating matter relative to a fund is how it should be financed. There are inequitable situations that emerge in almost any financing arrangement. The primary financing options include (1) producer assessments, (2) processor assessments, or (3) a joint fifty-fifty financing from producers and processors. The various philosophical bases for who should be assessed already have been noted. The joint financing option represents more of a political compromise than a philosophical choice. In the long run, of course, it can be argued that the costs of any fund ultimately are going to be paid for by the consumer. In the short run, one might note that an assessment of one cent per cwt. on $10.00 milk amounts to only one mill and that amount should not be a burdensome inequity for any party.

If a fund were to be authorized in the State of Ohio, the following factors would be pertinent to the development of enabling legislation.

(1) The purpose of the fund is to protect <u>Ohio</u> milk producers in situations of non-payment. This means that assessments for the fund should <u>only</u> be made on Ohio produced milk. A legal determination as to whether producer milk shipped out-of-state could be assessed probably would have to be made.

(2) Assessments for the fund should be made mandatory and not left to voluntary participation. It is fair to observe that if the provisions were voluntary, the same interests that might be least likely to participate would also be the same interests most likely to be caught up in non-payment situations.

(3) A fund of approximately two million dollars should be adequate for accomplishing the purposes of security fund legislation. In 1977, cash receipts

from the sale of milk by dairy farmers in Ohio were $437.5 million. A two million dollar fund represents just under one-half of 1 percent of annual cash receipts to milk producers and is consistent with the rates of assessment suggested in New York, Pennsylvania, and Michigan. Assessments for the fund would be suspended whenever the fund exceeded the $2 million level.

(4) Costs of administering the fund should be minimal because (a) the frequency of non-payment situations is relatively limited, and (b) much of the information required for monitoring non-payment situations could be made available directly from Federal Order Market Administrators. A limit on annual administrative costs equivalent to 2½ percent of the total fund is the maximum that generally has been recognized in other states.

(5) Some provision for transition from the present regulations (Section 917.14) should be recognized since an assessment at the rate of one cent per cwt. would require four to five years for the fund to reach the 2 million dollar mark. As a minimum, Section 917.14 should continue to be observed until the funding goal is achieved. If more immediate funding was desired, provision could be made for "start-up" funds by requiring an assessment on the milk for a time period (six months, for example) prior to inception of the security fund.

(6) Some flexibility could be retained in the regulations so that (a) bonding requirements might be available as an option to fund participation, and (b) bonding requirements might be mandatory and fund participation not available to processors/cooperatives in high financial risk situations.

(7) The matter of whether a cooperative is a producer or handler can become a complicating factor. For purposes of identifying the party to be assessed, a cooperative is defined as a handler for all milk that it processes into fluid and manufactured dairy products, and it is defined as a producer for all milk that it sells in bulk to other parties.

(8) A refund procedure should be made available to assessed parties in the event that they go out of business and do not have payment obligations. The refund could consist of the pro rata share of money assessed plus accumulated interest minus administrative costs.

(9) In situations of non-payment to producers, the Fund Administrator would notify all affected producers that they may file claims against the fund. No claims would be allowed for more than the first two months shipments of milk by a producer which had not been paid for because (1) a two month period of non-payment is sufficient to warn any producer that he is in a high risk situation, and (2) the fund should not be used simply as an extension of the cash flow arrangements utilized by a handler.

(10) In situations where the fund has been used to compensate producers, it should be required that the defaulting party (processor or cooperative) should repay the fund for the amount of claims paid on his behalf. An interest penalty should probably be added on, and a repayment deadline specified (possibly 30 days). Failure to repay should permit state authority to force sale of the assets of the defaulting party, with the necessary proceeds going to fund repayments.

Summary and Conclusion

The problem of non-payment of milk producers by handlers is infrequent but it is serious for those producers who are affected. The non-payment situation essentially occurs only when the milk buyer is caught up in a bankruptcy situation. Section 917.14 of the Ohio Revised Code includes bonding-depositing-financial statement provisions designed to offer producers some protection against non-payment situations. However, these regulations have not been effective in all instances, and there has been an expressed interest in developing a more effective mechanism for providing security to milk producers.

Two primary alternatives to the present regulations have emerged. One would simply require that any buyer of milk from the dairy farmer hold the product in trust for the producer's benefit until the producer was fully paid. The second alternative would create a producer security fund against which producers could file claims in situations of non-payment. Legal limitations on the application of a state defined producer trust are substantial and impair the usefulness of the trust approach. As for the security fund approach, there does not appear to be a legality question, apart from the inter-state complications; and it would be effective in reducing instances of non-payment as compared to present regulations. However, the problems of inequity that emerge on the question of where assessments for the fund should come from are substantial.

One possibility that likely would generate significant support from both the producing and processing sectors of Ohio's milk industry would be to make the present options of Section 917.14 of the Ohio Revised Code more effective. In particular, increasing the frequency of submission and implementing a more comprehensive analysis of financial information of processors and cooperatives would need to be undertaken, especially for those concerns where performance has become uncertain. Such an increased responsibility by the Ohio Department of Agriculture could require some additional resources to get the job done.